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LRB094 03887 MKM 41917 a

1 AMENDMENT TO HOUSE BILL 1301

2 AMENDMENT NO. _____. Amend House Bill 1301 on page 6,
3 immediately below line 33, by inserting the following:

4 "Section 10. The Illinois Savings and Loan Act of 1985 is
5 amended by changing Section 3-8 as follows:

6 (205 ILCS 105/3-8) (from Ch. 17, par. 3303-8)

7 Sec. 3-8. Access to books and records; communication with
8 members.

9 (a) Every member or holder of capital shall have the right
10 to inspect the books and records of the association that
11 pertain to his account. Otherwise, the right of inspection and
12 examination of the books and records shall be limited as
13 provided in this Act, and no other person shall have access to
14 the books and records or shall be entitled to a list of the
15 members.

16 (b) For the purpose of this Section, the term "financial
17 records" means any original, any copy, or any summary of (i) a
18 document granting signature authority over a deposit or
19 account; (ii) a statement, ledger card, or other record on any
20 deposit or account that shows each transaction in or with
21 respect to that account; (iii) a check, draft, or money order
22 drawn on an association or issued and payable by an
23 association; or (iv) any other item containing information
24 pertaining to any relationship established in the ordinary

1 course of an association's business between an association and
2 its customer, including financial statements or other
3 financial information provided by the member or holder of
4 capital.

5 (c) This Section does not prohibit:

6 (1) The preparation, examination, handling, or
7 maintenance of any financial records by any officer,
8 employee, or agent of an association having custody of
9 those records or the examination of those records by a
10 certified public accountant engaged by the association to
11 perform an independent audit.

12 (2) The examination of any financial records by, or the
13 furnishing of financial records by an association to, any
14 officer, employee, or agent of the Commissioner of Banks
15 and Real Estate or federal depository institution
16 regulator for use solely in the exercise of his duties as
17 an officer, employee, or agent.

18 (3) The publication of data furnished from financial
19 records relating to members or holders of capital where the
20 data cannot be identified to any particular member, holder
21 of capital, or account.

22 (4) The making of reports or returns required under
23 Chapter 61 of the Internal Revenue Code of 1986.

24 (5) Furnishing information concerning the dishonor of
25 any negotiable instrument permitted to be disclosed under
26 the Uniform Commercial Code.

27 (6) The exchange in the regular course of business of
28 (i) credit information between an association and other
29 associations or financial institutions or commercial
30 enterprises, directly or through a consumer reporting
31 agency or (ii) financial records or information derived
32 from financial records between an association and other
33 associations or financial institutions or commercial
34 enterprises for the purpose of conducting due diligence

1 pursuant to a purchase or sale involving the association or
2 assets or liabilities of the association.

3 (7) The furnishing of information to the appropriate
4 law enforcement authorities where the association
5 reasonably believes it has been the victim of a crime.

6 (8) The furnishing of information pursuant to the
7 Uniform Disposition of Unclaimed Property Act.

8 (9) The furnishing of information pursuant to the
9 Illinois Income Tax Act and the Illinois Estate and
10 Generation-Skipping Transfer Tax Act.

11 (10) The furnishing of information pursuant to the
12 federal "Currency and Foreign Transactions Reporting Act",
13 (Title 31, United States Code, Section 1051 et seq.).

14 (11) The furnishing of information pursuant to any
15 other statute that by its terms or by regulations
16 promulgated thereunder requires the disclosure of
17 financial records other than by subpoena, summons,
18 warrant, or court order.

19 (12) The exchange of information between an
20 association and an affiliate of the association; as used in
21 this item, "affiliate" includes any company, partnership,
22 or organization that controls, is controlled by, or is
23 under common control with an association.

24 (13) The furnishing of information in accordance with
25 the federal Personal Responsibility and Work Opportunity
26 Reconciliation Act of 1996. Any association governed by
27 this Act shall enter into an agreement for data exchanges
28 with a State agency provided the State agency pays to the
29 association a reasonable fee not to exceed its actual cost
30 incurred. An association providing information in
31 accordance with this item shall not be liable to any
32 account holder or other person for any disclosure of
33 information to a State agency, for encumbering or
34 surrendering any assets held by the association in response

1 to a lien or order to withhold and deliver issued by a
2 State agency, or for any other action taken pursuant to
3 this item, including individual or mechanical errors,
4 provided the action does not constitute gross negligence or
5 willful misconduct. An association shall have no
6 obligation to hold, encumber, or surrender assets until it
7 has been served with a subpoena, summons, warrant, court or
8 administrative order, lien, or levy.

9 (14) The furnishing of information to law enforcement
10 authorities, the Illinois Department on Aging and its
11 regional administrative and provider agencies, the
12 Department of Human Services Office of Inspector General,
13 or public guardians, if there is suspicion by the
14 investigatory entity, the guardian, or the association
15 ~~suspects~~ that a customer who is an elderly or disabled
16 person has been or may become the victim of financial
17 exploitation. For the purposes of this item (14), the term:
18 (i) "elderly person" means a person who is 60 or more years
19 of age, (ii) "disabled person" means a person who has or
20 reasonably appears to the association to have a physical or
21 mental disability that impairs his or her ability to seek
22 or obtain protection from or prevent financial
23 exploitation, and (iii) "financial exploitation" means
24 tortious or illegal use of the assets or resources of an
25 elderly or disabled person, and includes, without
26 limitation, misappropriation of the elderly or disabled
27 person's assets or resources by undue influence, breach of
28 fiduciary relationship, intimidation, fraud, deception,
29 extortion, or the use of assets or resources in any manner
30 contrary to law. An association or person furnishing
31 information pursuant to this item (14) shall be entitled to
32 the same rights and protections as a person furnishing
33 information under the Elder Abuse and Neglect Act, ~~and~~ the
34 Illinois Domestic Violence Act of 1986, and the Abuse of

1 Adults with Disabilities Intervention Act.

2 (15) The disclosure of financial records or
3 information as necessary to effect, administer, or enforce
4 a transaction requested or authorized by the member or
5 holder of capital, or in connection with:

6 (A) servicing or processing a financial product or
7 service requested or authorized by the member or holder
8 of capital;

9 (B) maintaining or servicing an account of a member
10 or holder of capital with the association; or

11 (C) a proposed or actual securitization or
12 secondary market sale (including sales of servicing
13 rights) related to a transaction of a member or holder
14 of capital.

15 Nothing in this item (15), however, authorizes the sale
16 of the financial records or information of a member or
17 holder of capital without the consent of the member or
18 holder of capital.

19 (16) The disclosure of financial records or
20 information as necessary to protect against or prevent
21 actual or potential fraud, unauthorized transactions,
22 claims, or other liability.

23 (17) (a) The disclosure of financial records or
24 information related to a private label credit program
25 between a financial institution and a private label party
26 in connection with that private label credit program. Such
27 information is limited to outstanding balance, available
28 credit, payment and performance and account history,
29 product references, purchase information, and information
30 related to the identity of the customer.

31 (b) (1) For purposes of this paragraph (17) of
32 subsection (c) of Section 3-8, a "private label credit
33 program" means a credit program involving a financial
34 institution and a private label party that is used by a

1 customer of the financial institution and the private label
2 party primarily for payment for goods or services sold,
3 manufactured, or distributed by a private label party.

4 (2) For purposes of this paragraph (17) of subsection
5 (c) of Section 3-8, a "private label party" means, with
6 respect to a private label credit program, any of the
7 following: a retailer, a merchant, a manufacturer, a trade
8 group, or any such person's affiliate, subsidiary, member,
9 agent, or service provider.

10 (d) An association may not disclose to any person, except
11 to the member or holder of capital or his duly authorized
12 agent, any financial records relating to that member or holder
13 of capital of that association unless:

14 (1) The member or holder of capital has authorized
15 disclosure to the person; or

16 (2) The financial records are disclosed in response to
17 a lawful subpoena, summons, warrant, or court order that
18 meets the requirements of subsection (e) of this Section.

19 (e) An association shall disclose financial records under
20 subsection (d) of this Section pursuant to a lawful subpoena,
21 summons, warrant, or court order only after the association
22 mails a copy of the subpoena, summons, warrant, or court order
23 to the person establishing the relationship with the
24 association, if living, and, otherwise, his personal
25 representative, if known, at his last known address by first
26 class mail, postage prepaid, unless the association is
27 specifically prohibited from notifying that person by order of
28 court.

29 (f) (1) Any officer or employee of an association who
30 knowingly and willfully furnishes financial records in
31 violation of this Section is guilty of a business offense and,
32 upon conviction, shall be fined not more than \$1,000.

33 (2) Any person who knowingly and willfully induces or
34 attempts to induce any officer or employee of an association to

1 disclose financial records in violation of this Section is
2 guilty of a business offense and, upon conviction, shall be
3 fined not more than \$1,000.

4 (g) However, if any member desires to communicate with the
5 other members of the association with reference to any question
6 pending or to be presented at a meeting of the members, the
7 association shall give him upon request a statement of the
8 approximate number of members entitled to vote at the meeting
9 and an estimate of the cost of preparing and mailing the
10 communication. The requesting member then shall submit the
11 communication to the Commissioner who, if he finds it to be
12 appropriate and truthful, shall direct that it be prepared and
13 mailed to the members upon the requesting member's payment or
14 adequate provision for payment of the expenses of preparation
15 and mailing.

16 (h) An association shall be reimbursed for costs that are
17 necessary and that have been directly incurred in searching
18 for, reproducing, or transporting books, papers, records, or
19 other data of a customer required to be reproduced pursuant to
20 a lawful subpoena, warrant, or court order.

21 (Source: P.A. 92-483, eff. 8-23-01; 92-543, eff. 6-12-02;
22 93-271, eff. 7-22-03.)

23 Section 15. The Savings Bank Act is amended by changing
24 Section 4013 as follows:

25 (205 ILCS 205/4013) (from Ch. 17, par. 7304-13)

26 Sec. 4013. Access to books and records; communication with
27 members and shareholders.

28 (a) Every member or shareholder shall have the right to
29 inspect books and records of the savings bank that pertain to
30 his accounts. Otherwise, the right of inspection and
31 examination of the books and records shall be limited as
32 provided in this Act, and no other person shall have access to

1 the books and records nor shall be entitled to a list of the
2 members or shareholders.

3 (b) For the purpose of this Section, the term "financial
4 records" means any original, any copy, or any summary of (1) a
5 document granting signature authority over a deposit or
6 account; (2) a statement, ledger card, or other record on any
7 deposit or account that shows each transaction in or with
8 respect to that account; (3) a check, draft, or money order
9 drawn on a savings bank or issued and payable by a savings
10 bank; or (4) any other item containing information pertaining
11 to any relationship established in the ordinary course of a
12 savings bank's business between a savings bank and its
13 customer, including financial statements or other financial
14 information provided by the member or shareholder.

15 (c) This Section does not prohibit:

16 (1) The preparation examination, handling, or
17 maintenance of any financial records by any officer,
18 employee, or agent of a savings bank having custody of
19 records or examination of records by a certified public
20 accountant engaged by the savings bank to perform an
21 independent audit.

22 (2) The examination of any financial records by, or the
23 furnishing of financial records by a savings bank to, any
24 officer, employee, or agent of the Commissioner of Banks
25 and Real Estate or the federal depository institution
26 regulator for use solely in the exercise of his duties as
27 an officer, employee, or agent.

28 (3) The publication of data furnished from financial
29 records relating to members or holders of capital where the
30 data cannot be identified to any particular member,
31 shareholder, or account.

32 (4) The making of reports or returns required under
33 Chapter 61 of the Internal Revenue Code of 1986.

34 (5) Furnishing information concerning the dishonor of

1 any negotiable instrument permitted to be disclosed under
2 the Uniform Commercial Code.

3 (6) The exchange in the regular course of business of
4 (i) credit information between a savings bank and other
5 savings banks or financial institutions or commercial
6 enterprises, directly or through a consumer reporting
7 agency or (ii) financial records or information derived
8 from financial records between a savings bank and other
9 savings banks or financial institutions or commercial
10 enterprises for the purpose of conducting due diligence
11 pursuant to a purchase or sale involving the savings bank
12 or assets or liabilities of the savings bank.

13 (7) The furnishing of information to the appropriate
14 law enforcement authorities where the savings bank
15 reasonably believes it has been the victim of a crime.

16 (8) The furnishing of information pursuant to the
17 Uniform Disposition of Unclaimed Property Act.

18 (9) The furnishing of information pursuant to the
19 Illinois Income Tax Act and the Illinois Estate and
20 Generation-Skipping Transfer Tax Act.

21 (10) The furnishing of information pursuant to the
22 federal "Currency and Foreign Transactions Reporting Act",
23 (Title 31, United States Code, Section 1051 et seq.).

24 (11) The furnishing of information pursuant to any
25 other statute which by its terms or by regulations
26 promulgated thereunder requires the disclosure of
27 financial records other than by subpoena, summons,
28 warrant, or court order.

29 (12) The furnishing of information in accordance with
30 the federal Personal Responsibility and Work Opportunity
31 Reconciliation Act of 1996. Any savings bank governed by
32 this Act shall enter into an agreement for data exchanges
33 with a State agency provided the State agency pays to the
34 savings bank a reasonable fee not to exceed its actual cost

1 incurred. A savings bank providing information in
2 accordance with this item shall not be liable to any
3 account holder or other person for any disclosure of
4 information to a State agency, for encumbering or
5 surrendering any assets held by the savings bank in
6 response to a lien or order to withhold and deliver issued
7 by a State agency, or for any other action taken pursuant
8 to this item, including individual or mechanical errors,
9 provided the action does not constitute gross negligence or
10 willful misconduct. A savings bank shall have no obligation
11 to hold, encumber, or surrender assets until it has been
12 served with a subpoena, summons, warrant, court or
13 administrative order, lien, or levy.

14 (13) The furnishing of information to law enforcement
15 authorities, the Illinois Department on Aging and its
16 regional administrative and provider agencies, the
17 Department of Human Services Office of Inspector General,
18 or public guardians, if there is suspicion by the
19 investigatory entity, the guardian, or the savings bank
20 ~~suspects~~ that a customer who is an elderly or disabled
21 person has been or may become the victim of financial
22 exploitation. For the purposes of this item (13), the term:
23 (i) "elderly person" means a person who is 60 or more years
24 of age, (ii) "disabled person" means a person who has or
25 reasonably appears to the savings bank to have a physical
26 or mental disability that impairs his or her ability to
27 seek or obtain protection from or prevent financial
28 exploitation, and (iii) "financial exploitation" means
29 tortious or illegal use of the assets or resources of an
30 elderly or disabled person, and includes, without
31 limitation, misappropriation of the elderly or disabled
32 person's assets or resources by undue influence, breach of
33 fiduciary relationship, intimidation, fraud, deception,
34 extortion, or the use of assets or resources in any manner

1 contrary to law. A savings bank or person furnishing
2 information pursuant to this item (13) shall be entitled to
3 the same rights and protections as a person furnishing
4 information under the Elder Abuse and Neglect Act, ~~and~~ the
5 Illinois Domestic Violence Act of 1986, and the Abuse of
6 Adults with Disabilities Intervention Act.

7 (14) The disclosure of financial records or
8 information as necessary to effect, administer, or enforce
9 a transaction requested or authorized by the member or
10 holder of capital, or in connection with:

11 (A) servicing or processing a financial product or
12 service requested or authorized by the member or holder
13 of capital;

14 (B) maintaining or servicing an account of a member
15 or holder of capital with the savings bank; or

16 (C) a proposed or actual securitization or
17 secondary market sale (including sales of servicing
18 rights) related to a transaction of a member or holder
19 of capital.

20 Nothing in this item (14), however, authorizes the sale
21 of the financial records or information of a member or
22 holder of capital without the consent of the member or
23 holder of capital.

24 (15) The exchange in the regular course of business of
25 information between a savings bank and any commonly owned
26 affiliate of the savings bank, subject to the provisions of
27 the Financial Institutions Insurance Sales Law.

28 (16) The disclosure of financial records or
29 information as necessary to protect against or prevent
30 actual or potential fraud, unauthorized transactions,
31 claims, or other liability.

32 (17) (a) The disclosure of financial records or
33 information related to a private label credit program
34 between a financial institution and a private label party

1 in connection with that private label credit program. Such
2 information is limited to outstanding balance, available
3 credit, payment and performance and account history,
4 product references, purchase information, and information
5 related to the identity of the customer.

6 (b) (1) For purposes of this paragraph (17) of
7 subsection (c) of Section 4013, a "private label credit
8 program" means a credit program involving a financial
9 institution and a private label party that is used by a
10 customer of the financial institution and the private label
11 party primarily for payment for goods or services sold,
12 manufactured, or distributed by a private label party.

13 (2) For purposes of this paragraph (17) of subsection
14 (c) of Section 4013, a "private label party" means, with
15 respect to a private label credit program, any of the
16 following: a retailer, a merchant, a manufacturer, a trade
17 group, or any such person's affiliate, subsidiary, member,
18 agent, or service provider.

19 (d) A savings bank may not disclose to any person, except
20 to the member or holder of capital or his duly authorized
21 agent, any financial records relating to that member or
22 shareholder of the savings bank unless:

23 (1) the member or shareholder has authorized
24 disclosure to the person; or

25 (2) the financial records are disclosed in response to
26 a lawful subpoena, summons, warrant, or court order that
27 meets the requirements of subsection (e) of this Section.

28 (e) A savings bank shall disclose financial records under
29 subsection (d) of this Section pursuant to a lawful subpoena,
30 summons, warrant, or court order only after the savings bank
31 mails a copy of the subpoena, summons, warrant, or court order
32 to the person establishing the relationship with the savings
33 bank, if living, and otherwise, his personal representative, if
34 known, at his last known address by first class mail, postage

1 prepaid, unless the savings bank is specifically prohibited
2 from notifying the person by order of court.

3 (f) Any officer or employee of a savings bank who knowingly
4 and willfully furnishes financial records in violation of this
5 Section is guilty of a business offense and, upon conviction,
6 shall be fined not more than \$1,000.

7 (g) Any person who knowingly and willfully induces or
8 attempts to induce any officer or employee of a savings bank to
9 disclose financial records in violation of this Section is
10 guilty of a business offense and, upon conviction, shall be
11 fined not more than \$1,000.

12 (h) If any member or shareholder desires to communicate
13 with the other members or shareholders of the savings bank with
14 reference to any question pending or to be presented at an
15 annual or special meeting, the savings bank shall give that
16 person, upon request, a statement of the approximate number of
17 members or shareholders entitled to vote at the meeting and an
18 estimate of the cost of preparing and mailing the
19 communication. The requesting member shall submit the
20 communication to the Commissioner who, upon finding it to be
21 appropriate and truthful, shall direct that it be prepared and
22 mailed to the members upon the requesting member's or
23 shareholder's payment or adequate provision for payment of the
24 expenses of preparation and mailing.

25 (i) A savings bank shall be reimbursed for costs that are
26 necessary and that have been directly incurred in searching
27 for, reproducing, or transporting books, papers, records, or
28 other data of a customer required to be reproduced pursuant to
29 a lawful subpoena, warrant, or court order.

30 (j) Notwithstanding the provisions of this Section, a
31 savings bank may sell or otherwise make use of lists of
32 customers' names and addresses. All other information
33 regarding a customer's account are subject to the disclosure
34 provisions of this Section. At the request of any customer,

1 that customer's name and address shall be deleted from any list
2 that is to be sold or used in any other manner beyond
3 identification of the customer's accounts.

4 (Source: P.A. 92-483, eff. 8-23-01; 92-543, eff. 6-12-02;
5 93-271, eff. 7-22-03.)

6 Section 20. The Illinois Credit Union Act is amended by
7 changing Section 10 as follows:

8 (205 ILCS 305/10) (from Ch. 17, par. 4411)

9 Sec. 10. Credit union records; member financial records.

10 (1) A credit union shall establish and maintain books,
11 records, accounting systems and procedures which accurately
12 reflect its operations and which enable the Department to
13 readily ascertain the true financial condition of the credit
14 union and whether it is complying with this Act.

15 (2) A photostatic or photographic reproduction of any
16 credit union records shall be admissible as evidence of
17 transactions with the credit union.

18 (3) (a) For the purpose of this Section, the term
19 "financial records" means any original, any copy, or any
20 summary of (1) a document granting signature authority over
21 an account, (2) a statement, ledger card or other record on
22 any account which shows each transaction in or with respect
23 to that account, (3) a check, draft or money order drawn on
24 a financial institution or other entity or issued and
25 payable by or through a financial institution or other
26 entity, or (4) any other item containing information
27 pertaining to any relationship established in the ordinary
28 course of business between a credit union and its member,
29 including financial statements or other financial
30 information provided by the member.

31 (b) This Section does not prohibit:

32 (1) The preparation, examination, handling or

1 maintenance of any financial records by any officer,
2 employee or agent of a credit union having custody of
3 such records, or the examination of such records by a
4 certified public accountant engaged by the credit
5 union to perform an independent audit.

6 (2) The examination of any financial records by or
7 the furnishing of financial records by a credit union
8 to any officer, employee or agent of the Department,
9 the National Credit Union Administration, Federal
10 Reserve board or any insurer of share accounts for use
11 solely in the exercise of his duties as an officer,
12 employee or agent.

13 (3) The publication of data furnished from
14 financial records relating to members where the data
15 cannot be identified to any particular customer of
16 account.

17 (4) The making of reports or returns required under
18 Chapter 61 of the Internal Revenue Code of 1954.

19 (5) Furnishing information concerning the dishonor
20 of any negotiable instrument permitted to be disclosed
21 under the Uniform Commercial Code.

22 (6) The exchange in the regular course of business
23 of (i) credit information between a credit union and
24 other credit unions or financial institutions or
25 commercial enterprises, directly or through a consumer
26 reporting agency or (ii) financial records or
27 information derived from financial records between a
28 credit union and other credit unions or financial
29 institutions or commercial enterprises for the purpose
30 of conducting due diligence pursuant to a merger or a
31 purchase or sale of assets or liabilities of the credit
32 union.

33 (7) The furnishing of information to the
34 appropriate law enforcement authorities where the

1 credit union reasonably believes it has been the victim
2 of a crime.

3 (8) The furnishing of information pursuant to the
4 Uniform Disposition of Unclaimed Property Act.

5 (9) The furnishing of information pursuant to the
6 Illinois Income Tax Act and the Illinois Estate and
7 Generation-Skipping Transfer Tax Act.

8 (10) The furnishing of information pursuant to the
9 federal "Currency and Foreign Transactions Reporting
10 Act", Title 31, United States Code, Section 1051 et
11 sequentia.

12 (11) The furnishing of information pursuant to any
13 other statute which by its terms or by regulations
14 promulgated thereunder requires the disclosure of
15 financial records other than by subpoena, summons,
16 warrant or court order.

17 (12) The furnishing of information in accordance
18 with the federal Personal Responsibility and Work
19 Opportunity Reconciliation Act of 1996. Any credit
20 union governed by this Act shall enter into an
21 agreement for data exchanges with a State agency
22 provided the State agency pays to the credit union a
23 reasonable fee not to exceed its actual cost incurred.
24 A credit union providing information in accordance
25 with this item shall not be liable to any account
26 holder or other person for any disclosure of
27 information to a State agency, for encumbering or
28 surrendering any assets held by the credit union in
29 response to a lien or order to withhold and deliver
30 issued by a State agency, or for any other action taken
31 pursuant to this item, including individual or
32 mechanical errors, provided the action does not
33 constitute gross negligence or willful misconduct. A
34 credit union shall have no obligation to hold,

1 encumber, or surrender assets until it has been served
2 with a subpoena, summons, warrant, court or
3 administrative order, lien, or levy.

4 (13) The furnishing of information to law
5 enforcement authorities, the Illinois Department on
6 Aging and its regional administrative and provider
7 agencies, the Department of Human Services Office of
8 Inspector General, or public guardians, if there is
9 suspicion by the investigatory entity, the guardian,
10 or the credit union suspects that a member who is an
11 elderly or disabled person has been or may become the
12 victim of financial exploitation. For the purposes of
13 this item (13), the term: (i) "elderly person" means a
14 person who is 60 or more years of age, (ii) "disabled
15 person" means a person who has or reasonably appears to
16 the credit union to have a physical or mental
17 disability that impairs his or her ability to seek or
18 obtain protection from or prevent financial
19 exploitation, and (iii) "financial exploitation" means
20 tortious or illegal use of the assets or resources of
21 an elderly or disabled person, and includes, without
22 limitation, misappropriation of the elderly or
23 disabled person's assets or resources by undue
24 influence, breach of fiduciary relationship,
25 intimidation, fraud, deception, extortion, or the use
26 of assets or resources in any manner contrary to law. A
27 credit union or person furnishing information pursuant
28 to this item (13) shall be entitled to the same rights
29 and protections as a person furnishing information
30 under the Elder Abuse and Neglect Act, ~~and~~ the Illinois
31 Domestic Violence Act of 1986, and the Abuse of Adults
32 with Disabilities Intervention Act.

33 (14) The disclosure of financial records or
34 information as necessary to effect, administer, or

1 enforce a transaction requested or authorized by the
2 member, or in connection with:

3 (A) servicing or processing a financial
4 product or service requested or authorized by the
5 member;

6 (B) maintaining or servicing a member's
7 account with the credit union; or

8 (C) a proposed or actual securitization or
9 secondary market sale (including sales of
10 servicing rights) related to a transaction of a
11 member.

12 Nothing in this item (14), however, authorizes the
13 sale of the financial records or information of a
14 member without the consent of the member.

15 (15) The disclosure of financial records or
16 information as necessary to protect against or prevent
17 actual or potential fraud, unauthorized transactions,
18 claims, or other liability.

19 (16) (a) The disclosure of financial records or
20 information related to a private label credit program
21 between a financial institution and a private label
22 party in connection with that private label credit
23 program. Such information is limited to outstanding
24 balance, available credit, payment and performance and
25 account history, product references, purchase
26 information, and information related to the identity
27 of the customer.

28 (b) (1) For purposes of this paragraph (16) of
29 subsection (b) of Section 10, a "private label credit
30 program" means a credit program involving a financial
31 institution and a private label party that is used by a
32 customer of the financial institution and the private
33 label party primarily for payment for goods or services
34 sold, manufactured, or distributed by a private label

1 party.

2 (2) For purposes of this paragraph (16) of
3 subsection (b) of Section 10, a "private label party"
4 means, with respect to a private label credit program,
5 any of the following: a retailer, a merchant, a
6 manufacturer, a trade group, or any such person's
7 affiliate, subsidiary, member, agent, or service
8 provider.

9 (c) Except as otherwise provided by this Act, a credit
10 union may not disclose to any person, except to the member
11 or his duly authorized agent, any financial records
12 relating to that member of the credit union unless:

13 (1) the member has authorized disclosure to the
14 person;

15 (2) the financial records are disclosed in
16 response to a lawful subpoena, summons, warrant or
17 court order that meets the requirements of
18 subparagraph (d) of this Section; or

19 (3) the credit union is attempting to collect an
20 obligation owed to the credit union and the credit
21 union complies with the provisions of Section 2I of the
22 Consumer Fraud and Deceptive Business Practices Act.

23 (d) A credit union shall disclose financial records
24 under subparagraph (c) (2) of this Section pursuant to a
25 lawful subpoena, summons, warrant or court order only after
26 the credit union mails a copy of the subpoena, summons,
27 warrant or court order to the person establishing the
28 relationship with the credit union, if living, and
29 otherwise his personal representative, if known, at his
30 last known address by first class mail, postage prepaid
31 unless the credit union is specifically prohibited from
32 notifying the person by order of court or by applicable
33 State or federal law. In the case of a grand jury subpoena,
34 a credit union shall not mail a copy of a subpoena to any

1 person pursuant to this subsection if the subpoena was
2 issued by a grand jury under the Statewide Grand Jury Act
3 or notifying the person would constitute a violation of the
4 federal Right to Financial Privacy Act of 1978.

5 (e) (1) Any officer or employee of a credit union who
6 knowingly and wilfully furnishes financial records in
7 violation of this Section is guilty of a business
8 offense and upon conviction thereof shall be fined not
9 more than \$1,000.

10 (2) Any person who knowingly and wilfully induces
11 or attempts to induce any officer or employee of a
12 credit union to disclose financial records in
13 violation of this Section is guilty of a business
14 offense and upon conviction thereof shall be fined not
15 more than \$1,000.

16 (f) A credit union shall be reimbursed for costs which
17 are reasonably necessary and which have been directly
18 incurred in searching for, reproducing or transporting
19 books, papers, records or other data of a member required
20 or requested to be produced pursuant to a lawful subpoena,
21 summons, warrant or court order. The Director may
22 determine, by rule, the rates and conditions under which
23 payment shall be made. Delivery of requested documents may
24 be delayed until final reimbursement of all costs is
25 received.

26 (Source: P.A. 91-929, eff. 12-15-00; 92-293, eff. 8-9-01;
27 92-483, eff. 8-23-01; 92-543, eff. 6-12-02.)".